

WASHINGTON, DC— Amendments drafted by Congressman Joe Sestak (PA-07) to strengthen spending regulations for major weapons systems passed the House today as the WASTE TKO Act, HR 2101, was approved by the House. This legislation provides greater oversight and accountability in the acquisition process, which has a long history of waste and unreliability.

“I am proud to support this vital piece of legislation,” said Congressman Sestak. “The Department of Defense acquisition process requires overhaul. Lead times are longer than ever and costs continue to escalate. In what seems a self-fulfilling prophecy, the services appear to under-budget as programs are presented to Congress for approval, only to overrun those budgets during execution.”

One of Congressman Sestak's amendments mandates the disclosure of the specific percentage of confidence levels for cost estimates of major defense acquisition programs. If the confidence level is below 80 percent, the amendment requires that the official designated to perform cost estimation oversight provide a justification. This creates pressure to budget cost estimates as accurately as possible.

“Cost estimates have grown less and less reliable year after year,” the Congressman continued. “It is unacceptable for major weapons platforms such as aircraft carriers and littoral combat ships to be budgeted at figures with lower than 50 percent confidence.”

The Congressman's second amendment significantly strengthens the review system for programs that experience “critical” cost growth, meaning they project to cost at least 25 percent more than previously predicted. The legislation would require that before one of these programs can be restructured, the Secretary of Defense must assess the need to reduce funding for other programs to cover the cost overrun and must certify to Congress that the troubled program is a higher priority than other programs. It requires that if the program is subsequently restructured, the next Selected Acquisition Report for the program occurring after the submission of the budget for the following fiscal year contain a description of all reductions made in the budgets of other programs to accommodate such cost growth.

“The Department of Defense acquisition process must be reformed to ensure taxpayers receive a fair value for their dollar and warfighters receive capable systems on time and within budgets” said the Congressman.

The WASTE TKO Act includes a number of other key provisions that the Congressman supported to address wasteful spending. For example, it designates oversight functionaries who serve as principal advisors for cost estimation, systems engineering, and performance assessment on each program. The bill also contains provisions which place more scrutiny on certification requirements and review of programs which have experienced critical cost growth, allowing such programs to be restructured to minimize further cost growth. Additionally, the legislation seeks to prevent organizational conflicts of interest in the acquisition of major weapons systems and creates incentives for superior performance by defense acquisitions personnel.

Next week the weapons acquisition reform conference will convene to resolve the differences between H.R. 2101 and its Senate companion bill, S. 454, which was introduced by Senators Levin and McCain. Congressman Sestak was named as a conferee and will ensure the best possible legislative product comes out of this effort.

*Born and raised in Delaware County, former 3-star Admiral Joe Sestak served in the Navy for 31 years and now serves as the Representative from the 7th District of Pennsylvania. He led a series of operational commands at sea, including Commander of an aircraft carrier battle group of 30 U.S. and allied ships with over 15,000 sailors and 100 aircraft that conducted operations in Afghanistan and Iraq. After 9/11, Joe was the first Director of "Deep Blue," the Navy's anti-terrorism unit that established strategic and operations policies for the "Global War on Terrorism." He served as President Clinton's Director for Defense Policy at the National Security Council in the White House, and holds a Ph.D. in Political Economy and Government from Harvard University. According to the office of the House Historian, Joe is the highest-ranking former military officer ever elected to the U.S. Congress.*

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